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Russian Federation

Trade Policy Monitoring

Amendments to the Federal Law "On Customs Tariff"

2005

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Report Highlights:

Federal Law #112 "On Introducing Amendments into the Law of the Russian Federation 'On Customs Tariff'" was signed by the Russian President on July 21, 2005. The law formally establishes some existing procedures and definitions regarding imports of agricultural products.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Moscow [RS1]
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Federal Law "On Introducing Amendments into the Law of the Russian Federation "On the Customs Tariff" (FL #112) was signed by Russia's President on July 21, 2005. The new law officially establishes some existing procedures and definitions regarding imports of agricultural products, such as procedures for introduction of tariff quotas on preferential imports of agricultural products, definition of agricultural products, procedures for granting tariff preferences, attribution of commodities originating from the most favored nations, etc. The Federal Law came into force in late August 2005. An unofficial translation of Federal Law #112 follows.

**Unofficial translation
Federal Law #112**

On Introducing Amendments into the Law of the Russian Federation "On the Customs Tariff"

Adopted by the State Duma on July 8, 2005

Approved by the Federation Council on July 13, 2005

Article 1

The following amendments shall be introduced into the Law of the Russian Federation of May 21, 1993 N 5003-1 "On the Customs Tariff" (Vedomosti of the Congress of the Peoples' Deputies of the Russian Federation and the Supreme Council of the Russian Federation, 1993, N 23, article 821; Collection of the legislation of the Russian Federation, 1999, N 7, article 879; 2001, N 33, article 3429; N 53, article 5026; 2002, N 22, article 2026; 2003, N 23, article 2174; N 50, article 4845; 2004, N 19, article 1834):

1) editorial amendment of article 3, item 2 shall be introduced as follows:

"2. Rates of import customs duties are determined by the Government of the Russian Federation.

With respect to the commodities originating from the countries that have trade-political relations (with the Russian Federation) that stipulate the most favored nation regime, rates of import customs duties shall be applied that are established based on the current Law.

With respect to the commodities originating from countries which have trade-political relations (with the Russian Federation) that do not have the most favored nation regime, rates of import customs duties that are established based on the current Law shall be increased by two times except for those cases when the Russian Federation grants them tariff privileges (preferences) based on the appropriate provisions of the current Law.

With respect to the commodities which have country of origin that has not been established, rates of import customs duties shall be applied that are used for the commodities originating from the countries which have trade-political relations (with the Russian Federation) that stipulates the most favored nation regime, except for the cases that are stipulated by the Customs legislation of the Russian Federation.";

2) editorial amendment of article 36 shall be introduced as follows:

"Article 36. **Granting tariff preferences**

1. When conducting trade-political relations of the Russian Federation with foreign states it is possible to grant privileges (preferences) with respect to the Customs tariff of the Russian Federation such as:

establishing tariff quotas for the preferential importation of agricultural commodities having analogous commodities that are produced (extracted, grown) in the Russian Federation;

exempting from paying import customs duties, decreasing the rates of the import

customs duties with respect to the commodities:

originating from the states establishing a free trade zone or the customs union with the Russian Federation or from those states that have signed agreements aimed at establishing such a zone or such a union;

originating from developing countries using the national system of preferences of the Russian Federation that is reviewed by the Government of the Russian Federation periodically but not less than once in five years.

2. For the purposes of this article the tariff quota is understood as establishing rates of import customs duties for a definite quantity of the commodity brought into the customs territory of the Russian Federation during a certain period of time which are lower than the rates of the import customs duties applied in compliance with the Customs tariff of the Russian Federation.

For the commodities which are brought into the customs territory of the Russian Federation in excess of the established quantity (quota), the rates of the import customs duties shall be applied in compliance with the Customs tariff of the Russian Federation at the levels which are adequate to ensure efficiency of the tariff quota and to reach the objectives established by item 4 of this article.

3. For the purposes of this article the agricultural commodities are understood as commodities that are classified in groups 1 – 24 of the Commodities nomenclature for the external economic activity [HS numbers – YV] as well as such commodities as mannite (mannitol), D-glucitol (sorbitol), essential oils, caseins, albumins, gelatin, dextrin, modified starches, sorbitol, hides, leather, fur peltries, raw silk, silk by-products, animal wool, raw cotton, cotton by-products, rippled (dressed) flax fiber, raw flax, raw gaskin.

4. The tariff quotas for preferential import of agricultural commodities are established by the Government of the Russian Federation for the purposes of stimulating agricultural production, providing for the necessary volume of consumption of the agricultural commodities in the territory of the Russian Federation as well as for the purposes of facilitating international trade.

The volume of the tariff quota that is established for importation of the commodity into the customs territory of the Russian Federation shall not exceed the difference between the volume of consumption of such commodity in the territory of the Russian Federation and the volume of production of an analogous Russian commodity.

If the volume of production of an analogous Russian commodity equals to the volume of consumption of the commodity on the territory of the Russian Federation or exceeds it then establishing the tariff quota shall not be acceptable.

5. For the purposes of this article, an analogous Russian commodity is understood as the commodity which by its functional purpose, application, qualitative and technical characteristics is completely identical to the commodity which is imported to the customs territory of the Russian Federation within the framework of the tariff quota or, in case of lack of such a completely identical commodity, (it is understood as) the commodity which has the characteristics which are close to the characteristics of the commodity which is imported to the customs territory of the Russian Federation within the framework of the tariff quota and which is interchangeable with it in the commercial respect.

6. Rates for import customs duties for agricultural commodities imported into the customs territory of the Russian Federation within the tariff quota are determined by the Government of the Russian Federation.

7. Bringing commodities into the customs territory of the Russian Federation within the framework of the tariff quotas is carried out in compliance with the customs regime of clearance for internal consumption based on the licenses for importing such commodities issued by the authorized federal body of Executive authority, which performs federal regulation of internal economic activity.

Issuance of the above mentioned licenses is carried out based on the applications of the participants of the external economic activity (hereinafter referred to as applicants). Shares of the tariff quota are distributed among the applicants upon the results of the competition

(auctions) or pro rata to the volume of import to the customs territory of the Russian Federation by the applicant of the commodity, originating from a foreign state and referred to in article 3 of this article, in the preceding calendar year.

8. If the commodity, originating from a foreign state and referred to in article 3 of this article, was not imported into the customs territory of the Russian Federation in the preceding year or if when distributing pro rata of the shares of the tariff quota for importing the commodity in the current year, its non-distributed quota is remaining, then determining the shares of the tariff quota (including its non-distributed part) for the applicants is carried out on the basis of competition.

9. When taking a decision on establishing the tariff quota the Government of the Russian Federation determines the method and the procedure to distribute the shares of the tariff quota.

The procedure and time frames of issuing the licenses and conducting competitions (auctions) as stated above in items 7 and 8 of the present article are established by the Government of the Russian Federation."

Article 2

This Federal Law comes into effect no earlier than upon completion of one month since its official publication.

President of the Russian Federation
V. Putin

Federal Law of the Russian Federation of July 21, 2005 N 112-F?